



Fact Sheet

Initiative 502's Impact on the Washington State Liquor and Cannabis Board

Summary

Initiative 502 licenses and regulates marijuana production, distribution, and possession for persons over 21; remove state-law criminal and civil penalties for activities that it authorizes. It taxes marijuana sales and earmarks marijuana-related revenues. The new tightly regulated and licensed system is similar to those used to control alcohol.

Licenses and Fees

Creates an application process that mirrors the liquor license application process.

Creates three new marijuana licenses: producer, processor, and retailer. The fee for each license is a \$266 application fee and \$1062 annual renewal fee.

- **Marijuana Producer:** produces marijuana for sale at wholesale to marijuana processors and allows for production, possession, delivery, distribution.
- **Marijuana Processor:** processes, packages, and labels marijuana/marijuana infused product for sale at wholesale to marijuana retailers and allows for processing, packaging, possession, delivery, distribution.
- **Marijuana Retailer:** allows for sale of usable marijuana/marijuana infused products at retail outlets regulated by the WSLCB.
The initiative allows the WSLCB to charge fees for anything done to implement/enforce the act. For example, fees could be charged on sampling, testing, and labeling that would be the cost of doing business as a licensee.

Marijuana Taxes

Per RCW 69.50.535 and WAC 314-55-089, all retail licensees are required to remit to the Washington State Liquor and Cannabis Board (WSLCB) an excise tax of 37 percent on all taxable sales of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products.

The WSLCB enacted rules that establish procedures and criteria for:

- The equipment, management and inspection of production, processing, and retail outlets.
- Books and records maintained by licensed premises.
- Methods of producing, processing and packaging of marijuana/marijuana infused products, to include conditions of sanitation.
- Standards of ingredients, quality, and identity of marijuana/marijuana infused products produced, processed and sold by licensees.
- Security requirements for retail outlets and premises where marijuana is produced and processed.



Retail Outlets

The WSLCB originally set the number of retail outlets at 334, taking into account population, security and safety issues, and discouraging illegal markets. Due to recent legislation which allows current dispensaries to transfer over the number of retail outlets will increase to 556.

- Retail outlets may not employ anyone under the age of 21, nor allow anyone under the age of 21 to enter the premises.
- Retail outlets are only authorized to sell marijuana/marijuana products or paraphernalia.
- Retailers are allowed two signs identifying the outlet's business or trade name, not to exceed 1600 square inches.
- They are not allowed to display marijuana or marijuana related products in a manner that is visible to the general public.

Possession

Individuals twenty-one years of age or older are legally authorized to possess and use:

- One ounce of usable marijuana
- Seven grams of marijuana concentrate/extract for inhalation
- 16 ounces of marijuana infused product in solid form
- 72 ounces of marijuana infused product in liquid form
- Marijuana-related drug paraphernalia

Individuals will still be subject to criminal prosecution for:

- Possession in amounts greater than what is listed above.
- Possession of any quantity or kind of marijuana/marijuana infused product by a person under 21 years of age.

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